

**MINUTES OF A REGULAR MEETING OF THE BOARD OF NAVIGATION AND
CANAL COMMISSIONERS OF THE BROWNSVILLE NAVIGATION DISTRICT OF
CAMERON COUNTY, TEXAS HELD OCTOBER 2, 2024 AT 5:30 P.M.**

The Board of Navigation and Canal Commissioners of the Brownsville Navigation District of Cameron County, Texas, held a regular meeting of the board on **Wednesday, October 2, 2024 at 5:30 p.m.**

The following individuals were present and absent:

PRESENT: Esteban Guerra, Chairman
John Reed
John Wood
Ernesto Gutierrez

ABSENT: Sergio Tito Lopez

ALSO PRESENT: William Dietrich, Port Director and CEO
Daniel Rentfro, Jr., District Counsel
William Irwin, District Counsel

STAFF MEMBERS: Arturo Gomez
Julio Romo
Miguel Barajas
Jose Herrera
Margie Recio
Janie Velasquez
Zeus Yanez
Yessenia Gonzalez
Michael Davis
Guillermo Rico
Ariel Chavez
Jorge Montero

OTHERS PRESENT: Rev. Andreas Lewis
Shannon Ostos
Mark Hodgson
Indira Soto

REGULAR MEETING

1. Meeting Called To Order

The Chairman called the meeting to order at 5:31 p.m. Reverend Lewis offered a prayer. The Chairman then led those present in the Pledge of Allegiance to the United States and Texas flags.

2. Public Audience

No person registered to address the Board.

3. Directors Report

The Board received the reports.

CONSENT AGENDA

4. Consideration and ACTION on the Following Consent Agenda Items:

- a. Approval of the Minutes of the Regular Board Meeting of September 18, 2024;
- b. Approval to authorize payments over \$25,000.00:
 1. A&I Custom Manufacturing, LLC, the amount of \$95,766.30, for railroad concrete approaches for Foust, Bill Reed, and Windhaud Roads.

Commissioner Reed moved to approve all Consent Agenda Items, Commissioner Wood seconded, and the motion passed unanimously.

ACTION ITEMS

5. Consideration and ACTION to approve and authorize the Port Director & CEO to execute the First Amended and Restated Grant Agreement to the MARAD FY 2020 Port Infrastructure Development Program Grant for the Grain Bulk Handling Facility Development, Expansion and Upgrade Project.

Mr. Yanez addressed the board regarding the Development Program. The grant funds will support the Grain Bulk Handling Facility Development, Expansion and Upgrade project. The total project cost was estimated at \$21,881,602 with the Port's private partner, with West Plains/BioUrja, providing the matching funds of \$7,376,212. The acceptance of the grant was executed by both parties on May 5, 2022. Upon the official awarding of the grant, the Port in conjunction with West Plains/BioUrja, and their engineering consultant, developed a detailed scope of work and layout engineering to obtain bids for the project. As the bidding process moved forward, it became apparent that all aspects of the project costs including rail, structures, equipment and electrical had increased over 100% compared to the initial estimated project costs. West Plains/BioUrja are working on modifying the scope of the project to reduce project costs while still maintaining the benefits and processing capacity of the original design. This amendment is only to revise the Project Budget Period. The original project budget period end date per the executed grant agreement expired on August 15, 2024. MARAD has agreed to extend the budget period end date through November 30, 2024, to give West Plains/BioUrja an opportunity to submit the revised scope for evaluation and consideration. If a revised scope of work is accepted by MARAD, the Port will work with MARAD to update the Project's estimated schedule listed in the grant agreement to coincide with the revised project work plans. No other items, including the federal share of \$14,504,850 are being modified.

Commissioner Wood moved to approve and authorize the Port Director and CEO to execute the First Amended and Restated Grant Agreement for the MARAD FY2020 Port Infrastructure Development Program Grant, Commissioner Reed seconded, and the motion passed unanimously.

BROWNSVILLE NAVIGATION DISTRICT MINUTES

October 2, 2024

Page 2 of 5

6. Consideration and ACTION on Steamship Agent License applications for DIX Agency Brownsville, LP and SEA.O.G Offshore, LLC.

Mrs. Recio addressed the board that Dix Agency and SEA.O.G Offshore have both applied for a Steamship Agent License at the Port of Brownsville. Applications have been reviewed and are in compliance with the Ports requirements. Each license will be valid for a term of three years.

Commissioner Reed moved to authorize the issuance of a Steamship Agent's License to Dix Agency Brownsville effective May 1, 2024 and to SEA.O.G Offshore, LLC effective October 3, 2024, Commissioner Wood seconded, and the motion passed unanimously.

7. Consideration and ACTION on Leases, Assignments, Negotiations, Easements, Subleases, and Contracts in general.

Mr. Dietrich addressed the Board regarding the following Items:

1. Wolfe Sandblasting & Painting (Authority to Negotiate)

The lease with Wolfe Sandblasting & Industrial Painting under BND contract# 4011 expires on October 14, 2024, with no renewal options. The lessee seeks Authority to Negotiate a new lease for a 0.358-acre site located in the Fishing Harbor at 1800 Bayou Court. The recommended term would be for one year with four renewal options of one year each.

Commissioner Reed moved to approve the Authority to Negotiate for Wolfe Sandblasting & Industrial Paint, Commissioner Wood seconded, and the motion passed unanimously.

2. Space Exploration Technologies Corporation (New Lease)

Space Exploration Technologies Corporation ("SpaceX") seeks a New Lease for 1.649 acres located on the southwest corner of South Port Connector and Ostos Road. The term of the lease will be one year with four renewal options of one year each. The purpose of the lease is for staging area hardware, specifically pressure vessels, vaporizers, starship launch tower components and other similar equipment and components.

Commissioner Reed moved to approve the new lease for SpaceX, Commissioner Gutierrez seconded, and the motion passed unanimously.

Commissioner Gutierrez then noted he would be abstaining from Items 7(3)-(4).

3. Brownsville Gulfside Warehouse, Inc. – 2000 N. Mineral Loop (Lease Amendment)

The current lease agreement for the 6.34-acre site located at 2000 N. Mineral Loop with Brownsville Gulfside Warehouse, Inc. (Contract #3932) provides for a term of four years with four renewal options of five years each that commenced on January 1, 2013. Brownsville Gulfside Warehouse, Inc. is seeking an amendment to its current lease to add two additional renewal terms of five years each. This amendment would reflect the increase in the number of options to renew from four additional terms of five years to six additional terms of five years each.

Commissioner Reed moved to approve the lease amendment for Brownsville Gulfside Warehouse, Inc, Commissioner Wood seconded, and the motion passed by a vote of 3-0. Commissioner Gutierrez abstained.

4. Brownsville Gulfside Warehouse, Inc. – 8900 Old S.H. 48 (**Lease Amendment**)

The current lease agreement for the 4.00-acre site located at 8900 Old S.H. 48 with Brownsville Gulfside Warehouse, Inc. (Contract #4619) provides for a term of five years that commenced on August 19, 2022, with no renewal options expiring on August 18, 2027. Brownsville Gulfside Warehouse, Inc. is seeking an amendment to its current lease to add three additional terms of five years each.

Commissioner Wood moved to approve the lease amendment for Brownsville Gulfside Warehouse, Inc, Commissioner Reed seconded, and the motion passed by a vote of 3-0. Commissioner Gutierrez abstained.

5. Espinoza Manufacturing Solutions, LLC (**Lease Amendment**)

The current lease agreement for the 2.122-acre site located at 2975 Dry Dock Road with Espinoza Manufacturing LLC (Contract #4680) provides for a primary term of one year with four renewal options of one year each that commenced on September 1, 2023. Espinoza Manufacturing Solutions, LLC is seeking an amendment to its current lease to increase the number of renewal options from four renewal options of one year each to nine renewal options of one year each. Discussion followed regarding the term of the lease and the lessee's request for an extension to secure an SBA loan. Commissioner Wood noted that he would like to see us move away from including numerous one year option renewal terms in the leases.

Commissioner Reed moved to table Item 5, Commissioner Wood seconded, and the motion passed unanimously.

6. US Department of Homeland Security – US Coast Guard (**Lease Amendment**)

US Department of Homeland Security - US Coast Guard (Contract #4416), a current lessee seeks approval to extend the term of the lease by one year from September 1, 2024 to August 31, 2025. The purpose of this lease is for the placement and operation of Government Aids to Navigation "Range lights."

Commissioner Wood moved to approve the Lease Amendment for the US Department of Homeland Security – US Coast Guard, Commissioner Reed seconded, and the motion passed unanimously.

BIDS/AGREEMENTS/PURCHASES

8. Consideration and ACTION on Change Order No. 1 to BND Docks 15 & 16 Concrete Pavement project, to include additional concrete pavement on the intersection of Foust and Bill Reed roads.

Mr. Chavez addressed the Board that R. M. Walsdorf, Inc., working under contract 4712 on the BND Docks 15 & 16 Concrete Pavement project in the amount of \$2,261,692.65 has submitted Change Order Proposal number 1 in the amount of \$287,948.05 and an additional 40 days. This change order includes an additional 1,405 SY of concrete pavement at the intersection of Foust and Bill Reed Roads. The new contract amount will be \$2,549,640.70 and a total of 160 days.

BROWNSVILLE NAVIGATION DISTRICT MINUTES

October 2, 2024

Page 4 of 5

Commissioner Reed moved to approve Change Order No. 1 to the BND Cargo Docks 15 & 16 Concrete Pavement contract with R. M. Walsdorf Inc., increasing the current \$2,261,692.65 contract amount by \$287,948.05, for a new contract amount of \$2,549,640.70, Commissioner Wood seconded, and the motion passed unanimously.

- 9. Adjourn into Executive Session, as authorized by Subchapter D of Chapter 551 of the Government Code to discuss with attorneys pending or contemplated litigation, and matters in which the duty of the attorneys under the Rules of Professional Conduct clearly conflict with Chapter 551; to deliberate the purchase, exchange, lease, or value of real property; to deliberate the deployment of security personnel or devices (§551.076); to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, specifically the Interim Port Director and CEO (§551.074); and to conduct deliberations regarding economic development negotiations (§551.087).**

There was none.

- 10. Possible ACTION on matters or items discussed in Executive Session.**

There was none.

- 11. Adjournment.**

Commissioner Reed moved to adjourn the meeting, Commissioner Wood seconded, and the meeting was adjourned by unanimous consent at 5:51 p.m.

ATTEST



John Reed, Secretary



Esteban Guerra
Chairman of the Board